

NEWS RELEASE

**Sinomem's new PRC JV to contribute
more than RMB150 m to Group revenues in 2005**

Singapore, 18 November 2004:- Pursuant to the announcement of the Memorandum of Understanding announced on 11 October 2004, mainboard-listed **Sinomem Technology Limited ("Sinomem")**, a leading membrane-based integrated process and engineering technology company, is pleased to announce that it has established a joint venture called Jiangxi New Ruifeng Biochemical Co. Ltd. ("NRB") in the PRC ("joint venture agreement"). NRB will focus on the production and sales of gibberellins (a plant growth regulator) and other fermentation-based biochemical products.

Sinomem, through its wholly owned subsidiary, Suntar Process Technology (Xiamen) Co., Ltd., will invest about S\$6 million for a 51% stake in NRB which has a registered capital of RMB58 million. The capital injection is expected to be completed by end November 2004. The consideration is based on the net tangible assets of Jiangxi Nuclear Ruifeng Biochemical Co. Ltd. ("Ruifeng") as at 30 September 2004 whose assets NRB has agreed to acquire. Sinomem's capital injection will be funded in cash and financed from internal resources.

The other partners in the joint venture who hold an aggregate 49% stake are Jiangxi Nanchang University Ruifeng Biochemical Co. Ltd. ("NCU Ruifeng") and a third party comprising five key management staff of Ruifeng, a related company of NCU Ruifeng. NRB will be entering into another agreement with Ruifeng to acquire the production facilities (mainly plant and machineries) from Ruifeng at

net book value and take over all of Ruifeng's production licenses, related certificates, and other fermentation products including validamycin serials.

Dr Lan Wei Guang, founder and Managing Director of Sinomem said, "This is an earnings accretive investment at Sinomem that will enhance shareholder value. Our advanced membrane technology is not only a key technique for the production of gibberellins, it will also result in cleaner production, higher product quality and yields, and lower costs. Our vision is for NRB to become the largest gibberellin producer in the world and the leading fermentation base in China. We are excited by the long-term prospects of NRB. "

Sinomem believes that the joint venture is a strategic fit that will pave the way for its participation in the critical process in industry applications utilizing advanced membrane technology. It is also in line with Sinomem's growth strategy of partnering its customers for mutual benefit. NRB's planned annual production capacity of gibberellin is estimated to be 100 tonnes in 2005, which should translate into sales revenue of more than RMB150 million.

Assuming that the acquisition was completed on 1 January 2003, and based on the management accounts of Ruifeng for the year ended 31 December 2003, the investment in NRB would have increased Sinomem's EPS for FY03 by 0.24 Sing cents from 4.00 Sing cents to 4.24 Sing cents. There would have been no impact on the NTA per share as at 31 December 2003.

Added Prof Zhou Wen Bin, the Principal of Nanchang University, "In the future, Nanchang University will also collaborate with Sinomem to set up a research and development center for cleaner production and the utilisation of wastewater together. We hope to use Sinomem's advanced membrane technology to develop new high-tech medical and health products from agriculture resources. We believe that this cooperation will strengthen the ties we have with Sinomem." Mr Ling Cheng Xing, the Vice-Governor of Jiangxi Province said, " This cooperation will put Jiangxi at the forefront of the production of gibberellins and

provide a good opportunity for us to build Jiangxi into a leading global biochemical base.”

No directors or controlling shareholder has any interest, direct or indirect, in the investment in NRB. There are no directors proposed to be appointed to Sinomem in connection with this investment. A copy of the joint venture agreement will be available for inspection at Sinomem’s registered office during normal office hours for three months.

- End -

About Sinomem Technology Limited

Sinomem Technology Limited (Bloomberg - SINO SP; Reuters – SINO.SI) is a leading membrane technology provider and process specialist based in Xiamen, China and headquartered in Singapore. Established in 1996, it was listed on the Singapore Exchange on 18 June 2003. The company provides integrated process and engineering solutions for separation, purification and cleaner production using its proprietary advanced membrane technology. Its customers include key players in the pharmaceutical, chemical and dyestuff, food and beverage, water and wastewater treatment industries in the PRC. The group currently derives more than 85% of its revenues from customers in the pharmaceutical industry. (www.sinomem.com).

For more information, please contact the following:

Mr Choo Beng Lor
Financial Controller
Sinomem Technology Limited
Tel:65-64816966
Email: choobl@sinomem.com

Mrs Juliet Ang
Director
NRA Capital Pte. Ltd
Tel:65-6236 6878
Email: juliet.ang@netresearch-asia.com